

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of

THE PETITION OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY FOR CONFIDENTIAL )  
TREATMENT OF CERTAIN INFORMATION ) CASE NO. 2004-00390  
CONTAINED IN ITS QUARTERLY GAS )  
SUPPLY CLAUSE FILING )

**PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY  
FOR CONFIDENTIAL TREATMENT OF CERTAIN INFORMATION  
CONTAINED IN ITS QUARTERLY GAS SUPPLY CLAUSE FILING**

Louisville Gas and Electric Company ("LG&E"), pursuant to 807 KAR 5:001, Section 7, petitions the Commission to classify and protect as confidential certain information that is contained in its Quarterly Gas Supply Clause filing, as more fully described below:

1. LG&E is filing contemporaneously with this Petition, as required by its tariffs governing its Gas Supply Clause (Original Sheet Nos. 13 and 14 of LG&E Gas Tariff PSC of Ky. No. 5), a statement setting forth the summary of the total purchased gas costs for the period of May 2004 through July 2004 ("Summary"). Included in the Summary, which is included in the filing as two pages in Exhibit B-1, pages 5 and 6, is certain information the disclosure of which would damage LG&E's competitive position and business interests. As required by 807 KAR 5:001, Section 7(2)(b), LG&E is providing one copy of this Summary, under seal, with the material for which confidential treatment is requested highlighted, and ten copies of the Summary with the confidential material redacted.

2. The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and, therefore, maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party.

3. The Summary contains sensitive commercial information, the disclosure of which would injure LG&E's ability to negotiate future gas supply contracts at advantageous prices and, thereby, minimize the price of natural gas to its customers, and would unfairly advantage LG&E's competitors for both gas supplies and retail gas load. Any impairment of its ability to obtain the most advantageous price possible from natural gas producers and marketers will necessarily erode LG&E's competitive position viz-a-vis other energy suppliers that compete in LG&E's service territory, as well as other LDCs with whom LG&E competes for new and relocating industrial customers. This sensitive information identifies LG&E's natural gas suppliers for the period set forth and links those providers with specific gas volumes delivered and the costs thereof. Redacting the suppliers' names from the Summary will prevent other parties from piecing together the sensitive information which LG&E seeks to protect from disclosure. LG&E, therefore, proposes that the identity of each supplier be kept confidential.

Disclosure of the suppliers' identities will damage LG&E's competitive position and business interest in two ways. First, it will allow LG&E's competitors to know the unit price and overall cost of the gas LG&E is purchasing from each supplier. This information is valuable to LG&E's competitors because it can alert them to the identity of LG&E's low cost suppliers, and if those supply agreements are more favorable than theirs, they can attempt to outbid LG&E for those suppliers. This would raise prices to LG&E which would hurt its competitive position and harm its ratepayers. Second, it will provide competitors of LG&E's suppliers with

Information which will enable future gas bidding to be manipulated to the competitors' advantage and to the detriment of LG&E and its customers. Instead of giving its best price in a bid, a gas supply competitor with knowledge of the recent pricing practices of LG&E's other suppliers could adjust its bid so that it just beats other bidders' prices or other terms. As a result, LG&E and its customers will pay a higher price for gas than they would have otherwise.

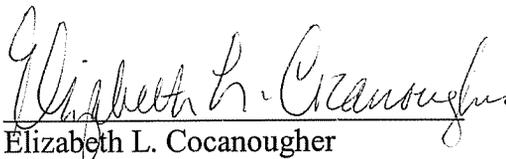
4. LG&E has filed identical requests with the Commission with regard to the same information contained in prior quarterly Gas Supply Clause filings, which the Commission has granted.

5. The information in the Summary for which LG&E is seeking confidential treatment is not known outside of LG&E and the relevant suppliers, and it is not disseminated within LG&E except to those employees with a legitimate business need to know and act upon the information.

6. The public interest will be served by granting this Petition in that competition among LG&E's prospective gas suppliers will be fostered, and the cost of gas to LG&E's customers will thereby be minimized. In addition, the public interest will be served by fostering full and fair competition between LG&E and other energy service providers within LG&E's gas service territory.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission classify and protect as confidential the identity of the gas suppliers listed in the statement that sets forth the summary of the total purchased gas costs for the period of May 2004 through July 2004 and that is included in the three month filing made concurrently herewith pursuant to LG&E's Gas Supply Clause.

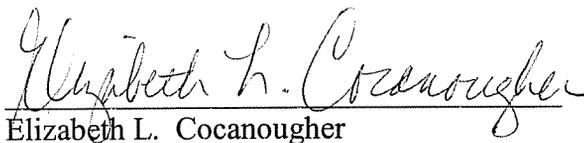
Respectfully submitted,



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(502) 627-4850  
**Counsel for Louisville Gas and Electric Company**

**CERTIFICATE OF SERVICE**

This is to certify that a true copy of the foregoing instrument was mailed this 30th day of September, 2004, to Office of Attorney General, Office for Rate Intervention, P. O. Box 2000, Frankfort, Kentucky 40602-2000.



Elizabeth L. Cocanougher

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM MAY 2004 THROUGH JULY 2004

DELIVERED BY TEXAS GAS TRANSMISSION, LLC  
COMMODITY AND VOLUMETRIC CHARGES:

	MAY 2004		JUNE 2004		JULY 2004	
	NET MMBTU	MCF	NET MMBTU	MCF	NET MMBTU	MCF
<b>NATURAL GAS SUPPLIERS:</b>						
1	0	0	0	0	0	0
2	0	0	694,665	677,722	820,323	605,193
3	759,500	740,976	98,000	95,610	294,000	286,829
4	0	0	0	0	0	0
5	0	0	97,590	95,210	0	0
6	155,000	151,220	280,976	274,123	112,185	109,449
7	368,830	360,810	305,218	297,774	343,299	334,926
8	0	0	148,338	144,720	0	0
9	0	0	0	0	0	0
10	0	0	0	0	68,292	66,626
11	210,008	204,886	102,471	99,972	383,134	373,789
12	310,000	302,439	300,000	292,683	310,248	302,681
13	0	0	0	0	19,502	19,026
14	0	0	150,000	146,341	252,643	246,481
	<u>1,804,338</u>	<u>1,760,331</u>	<u>2,177,258</u>	<u>2,124,755</u>	<u>2,403,626</u>	<u>2,346,000</u>
		<u>\$10,977,587.84</u>		<u>\$14,338,887.23</u>		<u>\$14,967,928.18</u>
<b>NO-NOTICE SERVICE ("NNS") STORAGE:</b>						
1	0	0	0	0	41,134	40,131
2	(1,265,353)	(1,234,491)	(1,132,992)	(1,105,358)	(359,587)	(350,817)
3	0	0	0	0	0	0
4	(1,190)	(971)	429	5,449	(168)	2,388
5	0	0	0	0	0	0
	<u>(1,266,543)</u>	<u>(1,235,462)</u>	<u>(1,132,563)</u>	<u>(1,099,909)</u>	<u>(318,621)</u>	<u>(308,298)</u>
		<u>(\$6,609,834.61)</u>		<u>(\$5,910,619.78)</u>		<u>(\$1,661,876.09)</u>
<b>NATURAL GAS TRANSPORTERS:</b>						
1	0	0	0	0	0	0
2	0	(598)	0	(7,393)	0	(4,987)
3	0	0	0	0	0	0
	<u>537,795</u>	<u>524,271</u>	<u>1,044,695</u>	<u>1,016,853</u>	<u>2,085,005</u>	<u>2,031,715</u>
		<u>\$30,764.00</u>		<u>\$52,837.70</u>		<u>\$99,155.14</u>
		<u>\$4,398,517.23</u>		<u>\$8,481,105.15</u>		<u>\$13,405,405.23</u>
<b>DEMAND AND FIXED CHARGES:</b>						
1	0	0	0	0	0	0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	0	0	0	0	0	0
5	0	0	0	0	0	0
6	0	0	0	0	0	0
		<u>\$1,036,567.21</u>		<u>\$861,123.48</u>		<u>\$1,013,146.28</u>
		<u>(\$382.32)</u>		<u>\$0.00</u>		<u>\$0.00</u>
		<u>\$0.00</u>		<u>\$0.00</u>		<u>\$0.00</u>
		<u>\$214,199.15</u>		<u>\$207,289.50</u>		<u>\$214,199.15</u>
		<u>(\$15,500.00)</u>		<u>(\$12,000.00)</u>		<u>\$0.00</u>
		<u>\$0.00</u>		<u>\$0.00</u>		<u>\$0.00</u>
		<u>\$1,234,884.04</u>		<u>\$1,176,412.98</u>		<u>\$1,227,345.43</u>
		<u>\$5,633,401.27</u>		<u>\$9,657,518.13</u>		<u>\$14,632,750.66</u>

LOUISVILLE GAS AND ELECTRIC COMPANY  
SUMMARY OF GAS PURCHASES AND COSTS BY SUPPLIER  
FOR THE 3 MONTH PERIOD FROM MAY 2004 THROUGH JULY 2004

DELIVERED BY TENNESSEE GAS PIPELINE COMPANY  
COMMODITY AND VOLUMETRIC CHARGES:

	MAY 2004		JUNE 2004		JULY 2004	
	NET MMBTU	MCF	NET MMBTU	MCF	NET MMBTU	MCF
NATURAL GAS SUPPLIERS:						
1 O	0	0	0	0	0	0
2 P	0	0	430,080	417,553	444,416	431,472
3 Q	0	0	286,710	278,359	296,267	287,638
4 R	0	0	0	0	650,969	632,009
5 S	0	0	225,238	218,678	189,348	183,833
	0	0	942,028	914,590	1,581,000	1,534,952
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$16,485.50	\$16,485.50	\$27,667.50	\$27,667.50
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	(891)	613
	\$0.00	\$0.00	\$0.00	\$0.00	0	0
	\$0.00	\$0.00	\$0.00	\$0.00	1,580,119	1,535,565
	\$0.00	\$0.00	\$0.00	\$0.00	\$21,899.80	\$21,899.80
TOTAL	0	0	942,028	914,590	1,580,119	1,535,565
TOTAL COMMODITY AND VOLUMETRIC CHARGES	\$0.00	\$0.00	\$6,051,718.20	\$6,051,718.20	\$9,550,781.78	\$9,550,781.78
DEMAND AND FIXED CHARGES:						
1 TENNESSEE GAS PIPELINE COMPANY			\$329,664.00	\$329,664.00	\$329,664.00	\$329,664.00
2 TRANSPORTATION BY OTHERS			\$0.00	\$0.00	\$0.00	\$0.00
3 SUPPLY RESERVATION CHARGES			\$0.00	\$0.00	\$0.00	\$0.00
4 CAPACITY RELEASE CREDITS			\$0.00	\$0.00	\$0.00	\$0.00
5 ADJUSTMENTS			\$0.00	\$0.00	\$0.00	\$0.00
TOTAL DEMAND AND FIXED CHARGES			\$329,664.00	\$329,664.00	\$329,664.00	\$329,664.00
TOTAL PURCHASED GAS COSTS -- TENNESSEE GAS PIPELINE COMPANY			\$329,664.00	\$329,664.00	\$9,880,445.78	\$9,880,445.78
OTHER PURCHASES						
1 PURCHASED FOR ELECTRIC DEPARTMENT			\$0.00	\$0.00	0	0
TEXAS GAS TRANSMISSION, LLC	18,000	17,561	\$126,450.00	\$62,820.00	21,500	20,976
T	0	0	\$0.00	\$0.00	10,000	9,756
U	0	(93)	\$0.00	\$0.00	0	(81)
ADJUSTMENTS	18,000	17,468	\$126,450.00	\$62,820.00	31,500	30,701
TOTAL	18,000	29,227	\$195,752.11	\$47,011.82	31,500	1,643
2 CASH-OUT OF CUSTOMER OVER-DELIVERIES	18,000	46,695	\$322,202.11	\$109,831.82	31,500	32,344
TOTAL	555,795	570,966	\$6,285,267.38	\$16,148,732.15	3,696,624	3,598,624
TOTAL PURCHASED GAS COSTS -- ALL PIPELINES			\$9,911,410.38	\$16,164,874.35	\$13,577,070.78	\$13,479,070.45